

Decision 03-06-022 June 5, 2003

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of Sonoma Airporter, Inc., PSC-1146, for authority to establish a zone of rate freedom and individual fares for passenger stage service between points in authorized service area and San Francisco International Airport.

Application 03-03-005
(Filed March 6, 2003)

O P I N I O N

Summary

This decision grants the application of Sonoma Airporter, Inc. (Applicant), a corporation, to establish a zone of rate freedom (ZORF) pursuant to Pub. Util. Code § 454.2, and to eliminate a discount on round-trip fares pursuant to Pub. Util. § 454.

Discussion

Applicant is authorized to operate as a scheduled and on-call, door-to-door passenger stage corporation (PSC) between the City of Sonoma and San Francisco International Airport (SFO) and intermediate points, including the City of San Rafael.

Applicant's current fares were authorized by Decision (D.) 00-09-011 in Application 00-04-040, pursuant to Pub. Util. Code § 454. One-way scheduled and on-call adult fares between Sonoma and SFO are \$25 and \$30, respectively, and between Sonoma and San Rafael are \$20 and \$25, respectively. These fares are published in Applicant's Local Passenger Tariff No. 5, CA PUC-5, filed with the Commission.

Applicant requests authority to establish a ZORF of \$15 above and \$5 below its current fares. Applicant also seeks to eliminate a \$5 discount on adult round-trip fares published in its tariff.

Applicant states two reasons for these requests. First, passenger loads have fallen more than 25% as a result of the decline in airline travel. Second, Applicant has experienced extraordinary increases in several areas of operating costs over which it has no control. These include one-year increases in insurance premiums of 85% for liability protection and 32% for workers' compensation coverage. Despite significant cost-cutting measures in other operating expenses, Applicant reports suffering a net loss of \$41,000 in 2002.

Applicant will compete with other PSCs, taxicabs, limousines, buses, and automobiles in its service area. This highly competitive environment should result in Applicant pricing its services at a reasonable level. Many other PSCs have been granted ZORFs. The requested ZORF is generally consistent with the ZORFs held by other PSCs.

Notice of filing of the application appeared in the Commission's Daily Calendar on March 11, 2003.

In Resolution ALJ 176-3109 dated March 13, 2003, the Commission preliminarily categorized this application as ratesetting, and preliminarily determined that hearings were not necessary. No protest has been received. Given this status, public hearing is not necessary, and it is not necessary to alter the preliminary determinations made in Resolution ALJ 176-3109.

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to Pub. Util. Code § 311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

Assignment of Proceeding

Richard Clark is the assigned Examiner in this proceeding.

Findings of Fact

1. Applicant is currently authorized to operate as a scheduled and on-call PSC between the City of Sonoma and SFO and intermediate points, including the City of San Rafael.
2. Applicant requests authority to establish a ZORF of \$15 above and \$5 below its current fares.
3. Applicant requests approval to eliminate a \$5 discount on adult round-trip fares published in its tariff.
4. Applicant will compete with PSCs, taxicabs, limousines, buses, and automobiles in its operations. The ZORF is fair and reasonable.
5. Applicant has experienced reduced passenger loads and increased costs in its operation.
6. No protest to the application has been filed.
7. A public hearing is not necessary.
8. It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

Conclusions of Law

1. The application for a ZORF should be granted.
2. The request to eliminate the published discount on round-trip fares should be granted.
3. Before Applicant changes any fares under the ZORF authorized below, Applicant should give this Commission at least ten days' notice. The tariff should show the high and low ends of the ZORF and the then currently effective fare between each pair of service points
4. Since the matter is uncontested, the decision should be effective on the date it is signed.

O R D E R

IT IS ORDERED that:

1. Sonoma Airporter, Inc. (Applicant), a corporation, is authorized under Pub. Util. Code § 454.2 to establish a zone of rate freedom (ZORF) of \$15 above and \$5 below its current fares published in its Local Passenger Tariff No. 5, CA PUC-5, filed with the Commission.
2. Applicant is authorized under Pub. Util. Code § 454 to eliminate a discount on round-trip fares published in its Local Passenger Tariff No. 5, CA PUC-5.
3. Applicant shall file a ZORF tariff in accordance with the application on not less than ten days' notice to the Commission and to the public. The ZORF shall expire unless exercised within 120 days after the effective date of this order.
4. Applicant may make changes within the ZORF by filing amended tariffs on not less than ten days' notice to the Commission and to the public. The tariff shall include the authorized maximum and minimum fares and the fare to be charged between each pair of service points
5. In addition to posting and filing tariffs, Applicant shall post notices explaining fare changes in its terminals and passenger-carrying vehicles. Such notices shall be posted at least ten days before the effective date of the fare changes and shall remain posted for at least 30 days.
6. The Application is granted as set forth above.

7. This proceeding is closed.

This order is effective today.

Dated June 5, 2003, at San Francisco, California.

MICHAEL R. PEEVEY
President
CARL W. WOOD
LORETTA M. LYNCH
GEOFFREY F. BROWN
SUSAN P. KENNEDY
Commissioners